

Brexit: Corporate

The changes and hence our recommended action points, as a result of Brexit, will be relatively minor under English and Welsh company law. In practice they will only affect companies with a connection to the EEA.

Under the European Union (Withdrawal Agreement) Act 2020, the changes summarised below are expected to take place on or by reference to the end of the implementation period, expected to be 31 December 2020.

The key points

Essentially:

- companies that are incorporated in the EEA will be treated in the same way as other overseas companies that are incorporated outside the UK. The existing relaxations for EEA companies in relation to company administration, accounts and auditing will be removed
- the EU Cross-Border Mergers regime will no longer be available to a UK company
- the regime requiring shareholder authorisation for political donations and expenditure by companies will no longer apply for EU elections and referendums, only UK ones
- UK companies who use EU-adopted IAS, will need to use UK-adopted IAS

Actions

- Companies that are incorporated in the EEA and registered in the UK will need to make additional disclosures
- A UK company should seek local law advice **now** if it has not already done so, as to the effect of its connections with any of the remaining EU Member States (EU-27); for example if the company has an established place of business in any of the EU-27

Caveat

The negotiations on the future relationship between the UK and the EU may result in amendments to these anticipated changes. We plan to update these pages from time to time.

For more information



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